



OFFICE OF THE GOVERNOR

INDIANAPOLIS, INDIANA 46204-2797

JOSEPH E. KERNAN
GOVERNOR

October 22, 2004

The Honorable Richard G. Lugar
United States Senate
306 Hart Senate Office Building
Washington, DC 20510

Dear Senator Lugar:

As the Congress works to complete action on legislation to implement the recommendations put forth by the 9/11 Commission, we would like to share our views on provisions of the separate bills passed by the U.S. House and Senate that authorize first responder funding through the U.S. Department of Homeland Security.

Earlier this month, Lieutenant Governor Davis wrote the Indiana congressional delegation to alert members that Indiana would lose a significant amount of first responder funding under the federal fiscal year (FFY) 2005 Homeland Security spending bills (S. 2537, H.R. 4567) passed by the Senate and House. Under the final FFY 2005 Homeland Security Appropriations Conference Report (H. Rept. 108-774), total first responder funding was actually reduced by over \$475 million nationwide and we expect the State to lose over \$10.5 million for four core first responder programs – State Homeland Security Grant Program (SHSGP), Urban Areas Security Initiative (UASI), Law Enforcement Terrorism Prevention Program (LETPP) Grants, and Citizen Corps Program – assuming Indianapolis receives the same proportionate share of UASI funding as in FFY 2004. We have attached for your reference a chart showing Indiana's total first responder funding for FFY 2003 and FFY 2004, as well as the amount we expect the State to receive in FFY 2005. We note that the FFY 2005 reduction represents a cut of almost 20 percent from last year's level of federal support.

As you may know, the FFY 2005 Homeland Security Appropriations Conference Report continues the distribution of SHSGP funds based on the PATRIOT Act formula of 0.75 percent for each state, with the remainder allocated by total population. UASI grants are currently awarded at the discretion of the Secretary of Homeland Security.

Both the Senate (S. 2845) and the House (H.R. 10) versions of the 9/11 Recommendations Implementation Act alter the distribution of first responder funding from a population-based formula to a more threat-based allocation. We fully support this concept but also firmly believe that no State should suffer a loss of funding that could inhibit its efforts to develop and maintain the appropriate level of preparedness and response capacity. Unfortunately, the first responder funding provisions under both bills provide no assurance that Indiana will receive a sufficient amount of federal assistance over the next several years.

Under the House bill, the base amount each state would receive would be changed to 0.25 percent and those states considered "high-risk" would get a base amount equivalent to 0.45 percent of the total. Under legislative criteria included in H.R. 10 that defines high-risk states, Indiana should qualify for the higher base funding. The remaining first responder funds would then be distributed by a First Responder Grants Board made up of federal agency heads, which would award grants based on a formula that takes into account threat, vulnerability, critical infrastructure, and the consequences of a terrorist attack.

The Senate bill, alternatively, would allocate one quarter of all first responder funding directly to high-threat urban areas. Of the remainder, all states would receive at least a 0.75 percent state share applied against about half the remaining funds. The balance of funding would then be distributed to "large high-threat" states using criteria included in the legislation and applied at the discretion of the Secretary of Homeland Security. Based on the criteria in the legislation, Indiana should qualify for some amount of additional funding under this category.

We are concerned that first responder provisions in both the House and Senate bills allow for too much discretion in the distribution of first responder grants from year to year. As you and your colleagues finalize the 9/11 Recommendations Implementation Act, we hope you will consider the following recommendations.

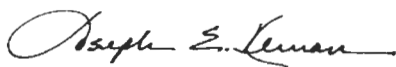
First, we support the creation of the *Task Force on Essential Capabilities for First Responders*, as called for under H.R. 10. This task force would be comprised of members from all levels of government and public safety and planning disciplines and is intended to help provide formal guidance and benchmarks for states to use in determining threats, risk and essential capabilities. We believe, however, that states should be given sufficient time to implement any new standards and planning requirements. We also feel strongly that the Department of Homeland Security should be required to take the findings of this task force into account when making any secondary distribution of first responder grant funds.

Second, to ensure that all states have sufficient funding available to implement their current three-year state plans first implemented in FFY 2004, we urge that all states receive at least 90% of their total prior-year first responder funding in each of the first two years of any combined program authorization. Indiana officials remain fully committed to meeting the goals and objectives of the State's current plan, but we cannot hope to achieve these goals if a significant amount of available funding is shifted to other states.

Finally, we urge that any new funding authorization be as streamlined and straightforward as possible, and that Congress require all distributions to be coordinated with each state's overall plan.

Thank you for considering our views on this highly important and critical issue.

Sincerely,



Joseph E. Kernan
Governor



Katherine L. Davis
Lieutenant Governor